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Voluntary - Public

Date: 7/8/2010

GAIN Report Number: GM0013

Germany

Post: Berlin

Germany Extends Transition Period - POS Required for 2010 Harvest

Report Categories:

Bio-Fuels

Trade Policy Monitoring

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Report Highlights:

Germany has extended the transition period for implementation of the sustainability certification requirement for biofuels and their feedstock from July 1, 2010 to January 1, 2011. Nevertheless, the majority of biofuels and biomass from the 2010 harvest will require a "proof of sustainability certificate" (POS) when exported to Germany. This report also provides links to certification systems.

General Information:

The extension of the transition period for implementation of the sustainability certification for biofuels marketed in Germany was published in the Federal Gazette on June 25, 2010. As a result, a POS certificate will be required from January 1, 2011, onward. However, biomass for biofuel production harvested in 2010 will need a POS unless the resulting biofuel is marketed in Germany prior to December 31, 2010. Consequently, the majority of the 2010 harvest will need a POS certificate.

Currently, Germany has provisionally approved two certification systems, the <u>International</u> Sustainability and Carbon Certification, (ISCC) and the REDcert GmbH.

Farmers engaged in primary biomass production only need to file a self declaration (for example the ISCC version: http://www.iscc-system.org/documents/certification/self_declarations/index_eng.html, the REDcert version is not available in English yet).

Wholesalers, handlers, processors, and biofuel producers need to be approved before a POS can be issued for their products.

How Will This Impact U.S. Soybean and Soybean Oil Exporters

Soybeans and soybean oil can be exported without a POS if the soybean oil is used only for food production or if the final biofuel neither receives any tax incentive nor is used to comply with a mandate. In practice it will be difficult to determine the end use of the soybeans and soybean oil at the time of export. Therefore, in most instances German importers, traders, oilmillers, and biofuel producers will likely require a POS when purchasing oilseeds and other feedstocks.

Background: The German regulation for the sustainable production of biofuels (Biokraftstoff-Nachhaltigkeitsverordnung - Biokraft-NachV) stipulates that biofuels and the biomass they are produced from must receive a POS certificate if it is to be eligible for the tax benefits or will be used to comply with a biofuel use mandate.

The original ordinance required POS certificates as of July 1, 2010. As a result of protests from Germany's agriculture and biofuel industries, the date of implementation has been extended to January 1, 2011.

Related reports:

| Status of Biomass Sustainability Certification in Germany | Bio-Fuels, Trade Policy Monitoring | Berlin | Germany | 3/15/2010

As of July 1, 2010, biofuels will need a "proof of sustainability" certificate from an approved sustainability system in order to be eligible for tax incentives or mandates in Germany. In order to be able to certify production, U.S. industry can work with an existing German certification system or develop its own system and have it approved in Germany. Information on requirements for approval of certification systems can be obtained from the German Federal Agency for Agriculture and Nutrition ...

Status of Biomass Sustainability Certification in Germany _Berlin_Germany_3-11-2010